

State Employee Benefits Advisory Council Meeting
January 20, 2010
Statewide Benefits Office
Dover, Delaware

The State Employee Benefits Advisory Council met on January 20, 2010 in the Statewide Benefits Office, 500 W. Loockerman St., Suite 320, Dover, Delaware. The following Council members and guests were present:

Thomas Chapman, SEBAC Chair, DSEA,
Seaford S.D.
Michael Nichols, SEBAC, DSP
Patricia Griffin, SEBAC, Court Admin.
(via phone)
Marsha Carson, SEBAC, DOS

Brenda Lakeman, OMB, SW Benefits, Director
Faith Rentz, OMB, SW Benefits
Ann Skeans, SW Benefits
Mary Thuresson, SW Benefits
Tim Barchek, DSEA
John Kenyon, AFSCME

Ms. Lakeman called the meeting to order at 3:05 p.m. and introductions followed.

1. Approval of Minutes

Mr. Chapman requested a motion to approve the December 9, 2009 SEBAC minutes. Ms. Griffin made the motion and Ms. Carson seconded the motion. Upon unanimous voice vote the minutes were approved.

2. Update of SEBC Activities – Ms. Lakeman

- There were nine responses received January 11, 2010 to the Health Management RFP which is for both Wellness and Disease Management. These proposals are now in the review process with interviews anticipated in February.
- The COBRA Subsidy has been extended. It was due to end for those involuntarily terminated on December 31, 2009. It was extended for those involuntarily terminated through the end of February 2010 and the duration of the subsidy was extended from nine to fifteen months. The state has spent approximately \$60,000 each month for the subsidy which will be reimbursed by the federal government. Until the reimbursement is received, the fund experiences a shortage.
- SEBC Agenda Items
 - Fund Equity Update – At the end of last month the fund was \$20M in the red. Now it has come up to \$10M, a significant increase.
 - Medco Prescription Program Considerations – Medco's Clinical Pharmacist Nick Taylor will be presenting program options the state could consider to cut costs. Specialty drugs and genetic testing will be the topics.
 - Group Health Care Option Changes will be presented by Ms. Lakeman. It will be an educational meeting to consider possible coverage changes. In-vitro fertilization (IVF) and bariatric surgery costs and options will be detailed. Discussion from the committee, feedback and questions are anticipated. No votes on this will be taken until February or March. Decisions must be made by March for Open Enrollment preparation.

Key issues include possibly instituting a cost share of 25 percent the employee pays to offset high costs of IVF or cost splitting with limits on monies provided for medical and prescription. With bariatric surgery costs, possible cost sharing at 25 percent or apply the

cost sharing to those who do not use an approved Blue Cross Blue Distinction bariatric center.

- Group Health Coverage Management – Last year we opted out of Med Solutions High Tech imaging pre-approvals. The program shows reported savings for participants and after the first three months, appeals decreased. This topic will be revisited.

Discussion included concerns about Delaware being above average in usage of high tech imagery and what drives it, patient safety and using correct procedures to fit the problem. There was concern if costs increase because doctors use their own equipment.

- Employee Assistance Program Request for Proposal Recommendation – The Proposal Review Committee (PRC) met January 6, 2010. There were three finalists: Deer Oaks, HMS and Value Options. The PRC met again January 15, 2010. All finalists were equally qualified and costs were very close. The recommendation to the SEBC will be to award the contract to HMS who has been the provider for the past six years. Their fees were lowered, rates are guaranteed for five years and they will send home mailings to educate employees of services available.

All of the above items were discussed. Ms. Griffin asked if there being 1,000 some less state employee positions now would impact the health expenses. Ms. Lakeman stated that for every one less employee they are picking up one spouse or the positions have been vacant therefore no enrollment for that position in group health.

3. SEBAC Comment to SEBC

The SEBAC is in agreement with the EAP recommendation.

4. Other Business

Ms. Lakeman reported the Dependent Eligibility Audit is taking place for KIDS, Capitol School District and City of Milford. Employees have until February 15 to enter their information on line. Depending on the audit results, it will be decided if the audit will be conducted statewide. If so, it would have to be put out for bid. Mr. Nichols wondered how honest the results would be. Per Ms. Lakeman documentation must be provided to show qualification for benefits. Some misunderstanding of the rules does occur. The message is, if you've been covering someone who is not eligible you can remove them now with no penalties.

5. Public Comment

Tim Barchek, DSEA, asked if there was any decision about the SEBC meetings being held at other locations. Ms. Lakeman explained that it is difficult to find rooms large enough to hold all the people. If anyone has suggestions at no cost let us know.

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Being no further business, Mr. Chapman asked for a motion to adjourn. Mr. Nichols made the motion and all spontaneously voiced a unanimous approval. The meeting adjourned at 4:04 p.m.

Respectfully submitted,

Mary Thuresson
Administrative Specialist II
Statewide Benefits Unit, OMB